



Source: U.S. Energy Information Administration

Propane provides an excellent value for millions of families who depend on it to fuel their homes. On average, propane costs nearly half as much as electricity in many parts of the country, based on statistics released by the U.S. Department of Energy (DOE). For example, over time a propane water heater can cost up to one-third less to operate than an electric one. And forced-air central furnaces fueled by propane provide warmer air than electric heat pumps – up to 25 degrees warmer.\*

\* Source: Manufacturer's Data.

### Energy Assistance Programs

The DOE helps eligible households make their homes more energy efficient. For information, visit [www.eere.energy.gov/weatherization/apply.html](http://www.eere.energy.gov/weatherization/apply.html)

The Low-Income Home Energy Assistance Program (LIHEAP) helps qualified low-income households meet their energy needs. Contact the National Energy Assistance Referral (NEAR) project toll-free at 1-866-674-6327 or send an e-mail to [energyassistance@ncat.org](mailto:energyassistance@ncat.org) or visit [www.acf.dhhs.gov/programs/liheap/](http://www.acf.dhhs.gov/programs/liheap/)

### Additional Energy Information Sources

[www.eia.doe.gov](http://www.eia.doe.gov) DOE's Energy Information Administration. Click on "Alternative Fuels" at the bottom for propane information.

[homeenergysaver.lbl.gov](http://homeenergysaver.lbl.gov) The Home Energy Saver identifies ways to save energy in homes including a tool to calculate the energy you use and what you can save.

[www.eere.energy.gov/consumerinfo/](http://www.eere.energy.gov/consumerinfo/) DOE's Energy Efficiency and Renewable Energy site. Includes numerous useful links to other information sources.

[www.energystar.gov](http://www.energystar.gov) Energy Star's site includes the Home Energy Yardstick to compare your energy use to other U.S. households.

[www.usepropane.com](http://www.usepropane.com) Propane Education & Research Council's consumer information site.

[www.npga.org](http://www.npga.org) National Propane Gas Association's site includes timely updates about the industry's activities and contact information for your state propane association.



[www.npga.org](http://www.npga.org)



[www.usepropane.com](http://www.usepropane.com)

# PROPANE AND YOUR HOME:

## UNDERSTANDING PROPANE PRICES AND TIPS TO LOWER YOUR ENERGY COSTS



**PROPANE**  
EXCEPTIONAL ENERGY®

## What is happening with propane prices?

In today's economy, many factors affect the price of all goods—including propane. Virtually every domestic fuel source has experienced price hikes recently compared with past years. There are four main factors contributing to higher propane prices:

**1 Higher Crude Oil and Natural Gas Prices.** Because propane is produced from both crude oil and natural gas, its price generally follows the prices of those energy sources. Crude oil prices are considerably higher today than last year. Also, it is expected that natural gas prices will remain at higher levels due to the strong demand to fuel electric power plants.

**2 The Nature of Supply and Demand.** While propane is produced year-round, residential demand for propane is highly seasonal. This seasonality causes inventories to increase when demand is low (summer) and decrease when demand is greater (winter). Higher demand almost always leads to higher prices.

**3 Seasonal Weather Conditions.** Colder temperatures during the winter months increase the demand for propane, particularly for home heating, which reduces supplies and leads to higher prices. However, propane furnaces keep your home warmer.

**4 International Influences.** The global propane market is constantly changing. New customers all over the world are turning to propane as a home energy source, particularly in growing Asian markets like China. As a result, when world supplies are constant and there is increased competition for propane, these economic forces often lead to prices being raised.

## What is the propane industry doing to help me?

Many propane retailers offer balanced billing payment plans that allow customers to spread their annual costs over many months, lowering the cost of seasonally higher bills.

The industry also moves quickly to meet the demand for propane. Regional storage and transport capacity have improved, allowing propane supplies to easily move from areas of surplus capacity to areas of greater need. The industry works hard to meet the demand of a potentially cold winter, despite hurricanes and other factors that disrupt oil and natural gas supplies.

## What can I do to lower my energy costs?

While neither you nor propane retailers can control the factors contributing to higher fuel prices, you can take some simple steps to lower your energy bill year-round.

### Home Heating

- If you are not on a regular delivery schedule, you should fill your propane tank before the start of the heating season – don't wait until it is empty. If you are on an established delivery schedule, your tank should be full.
- Discuss payment plan options with your propane retailer. Many retailers will help you spread your projected annual cost of propane over many months, lowering the costs of seasonally higher bills.

- Inspect and tune-up your residential heating system regularly. Contact your local propane retailer to inquire about a home heating system inspection. A properly working heating system is more efficient and will save you money.
- Change your furnace filter monthly. Clean filters will increase efficiency. If on a monthly payment plan, use receipt of your monthly propane bill as a reminder.
- Invest in a furnace thermostat timer that lowers your home's temperature when you are not at home. You can cut annual heating bills by as much as 10 percent per year by turning your thermostat back 10-15 percent for eight hours per day.
- Protect against drafts by caulking and weather-stripping around windows, doors and other openings such as ducts, fans and vents.
- Close vents and doors in unused rooms. Make sure your attic and basement are properly insulated.

### Water Heaters

- Decrease your water heating bill by turning down your water heater from the standard 120 degrees to 115 degrees.
- Increase your water heater's efficiency by draining it every six months to remove lime deposits and sediment.
- Install flow-restricting showerheads. You can reduce hot water usage by up to 50 percent without affecting shower pressure.
- Run washing machines and clothes dryers with a full load.